

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 7/31/2005**

	As of <u>7-31-05</u>	As of <u>6-30-05</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,524,913,297	\$ 1,458,148,767
INTERNATIONAL EQUITIES	764,442,692	751,581,435
DOMESTIC FIXED INCOME	1,620,473,223	1,627,107,621
INTERNATIONAL FIXED INCOME	146,457,693	144,258,400
REAL ESTATE POOL	218,537,144	216,275,745
VENTURE CAPITAL	123,619,006	123,797,307
INVESTED CASH (NOTE 1)	<u>86,354,172</u>	<u>68,245,056</u>
<b>TOTAL INVESTMENTS</b>	<b>4,484,797,227</b>	<b>4,389,414,331</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	19,271,774	21,609,527
CONTRIBUTIONS/ASSESSMENTS REC	15,857	7,403,583
MISCELLANEOUS RECEIVABLES	<u>2,525</u>	<u>2,188</u>
<b>TOTAL RECEIVABLES</b>	<b>19,290,156</b>	<b>29,015,298</b>
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	8,361,807	8,905,245
DUE FROM OTHER AGENCIES (NOTE 3)	50,219	89,903
FIXED ASSETS (NET) (NOTE 4)	<u>1,013,164</u>	<u>1,013,164</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,513,512,573</u></b>	<b><u>\$ 4,428,437,941</u></b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	3,379,162	3,464,962
ACCRUED EXPENSES	549,064	442,004
CAPITAL LEASES PAYABLE	9,550	9,550
DUE TO OTHER AGENCIES (NOTE 5)	<u>50,218</u>	<u>89,903</u>
<b>TOTAL LIABILITIES</b>	<b>3,987,994</b>	<b>4,006,419</b>
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	4,424,431,522	3,975,436,484
CASH IN DURING YEAR (NOTE 6)	28,095,709	302,922,897
CASH OUT DURING YEAR (NOTE 7)	31,030,858	298,051,573
NET INCREASE (DECREASE)	<u>88,028,206</u>	<u>444,123,714</u>
<b>NET ASSETS AVAILABLE END OF PERIOD</b>	<b><u>4,509,524,579</u></b>	<b><u>4,424,431,522</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS AVAILABLE</b>	<b><u>\$ 4,513,512,573</u></b>	<b><u>\$ 4,428,437,941</u></b>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 7/31/2005**

	Month Ended <u>7-31-05</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,964,523	\$ 7,964,523
SECURITIES LENDING INCOME	1,468,088	1,468,088
	<u>9,432,611</u>	<u>9,432,611</u>
GAIN ON SALE OF INVESTMENTS	48,983,857	48,983,857
LOSS ON SALE OF INVESTMENTS	<u>12,650,682</u>	<u>12,650,682</u>
NET GAINS (LOSSES) INVESTMENTS	36,333,175	36,333,175
INVESTMENT EXPENSES	295,839	295,839
SECURITIES LENDING EXPENSES	<u>1,348,453</u>	<u>1,348,453</u>
NET INVESTMENT INCOME	44,121,494	44,121,494
NET APPREC (DEPREC) MARKET VALUE	51,295,890	51,295,890
MISCELLANEOUS INCOME/(EXPENSE)	<u>(184,191)</u>	<u>(184,191)</u>
TOTAL INVESTMENT INCOME	95,233,193	95,233,193
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	84,382	84,382
PURCHASED SERVICE CREDIT (NOTE 9)	564,572	564,572
PENALTY & INTEREST (NOTE 10)	<u>348</u>	<u>348</u>
TOTAL ADDITIONS	<u>95,882,495</u>	<u>95,882,495</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	7,611,262	7,611,262
PARTIAL LUMP SUM BENEFITS PAID	0	0
REFUNDS TO MEMBER (NOTE 12)	<u>148,112</u>	<u>148,112</u>
TOTAL BENEFITS PAID	7,759,374	7,759,374
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	79,187	79,187
OPERATING EXPENSES	15,728	15,728
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>94,915</u>	<u>94,915</u>
TOTAL DEDUCTIONS	<u>7,854,289</u>	<u>7,854,289</u>
NET INCREASE (DECREASE)	<u><u>\$ 88,028,206</u></u>	<u><u>\$ 88,028,206</u></u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**July 31, 2005**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                      INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                      OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                      DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                      FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                      DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                      CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                      CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**7/31/2005**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.